Prince Edward Island Public Utilities Commission

Annual Report 1989-1990

92-01021/

Public Utilities Commission

Report

For the Year Ending 31 March 1990

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To:
The Honourable Minister of Justice
of the Province of Prince Edward Island

Sir:
The Public Utilities Commission of Prince Edward Island has the honour to present its Annual Report for the year ended March 31, 1990.

Respectfully submitted,

Linda St. Jean Webber, Chairman
Anna C. Carr, Commissioner
C.C. "Bill" Hickey, Commissioner

Introduction

The Public Utilities Commission is established by the *Public Utilities Commission Act*, R.S.P.E.I. 1988, Cap. P-33. The power and authority of the Commission are set out in that *Act* and in the *Electric Power and Telephone Act*, R.S.P.E.I. 1988, Cap. E-4, the *Water and Sewerage Act*, R.S.P.E.I. 1988, Cap. W-2, the *Petroleum Products Act*, R.S.P.E.I. 1988, Cap. P-5 and the *Motor Carrier Act*, R.S.P.E.I. 1988, Cap. M- 10. The Public Utilities Commission also exercises power over extra-provincial trucking as delegated to it by the *Motor Vehicle Transport Act, 1987*.

The Prince Edward Island Public Utilities Commission is required by law to regulate electric utilities, all water and sewer utilities, the transportation of goods and passengers in Prince Edward Island and the sale, distribution and pricing of petroleum products. There are some exceptions to this jurisdiction, for example, electric service within the Town of Summerside is not regulated by the Public Utilities Commission, and there are some exempt commodities that can be transported without a license from the Commission. However, most electric, water and sewer service, most sales of petroleum products, and most truck transport of goods are within the area of regulation by the Public Utilities Commission. The Commission also issues permits for the movement of buildings.

Since the Commission's formation in 1930, the telephone utility has also been part of its mandate. However, a Supreme Court of Canada decision in August of 1989 in the case of *Alberta Government Telephones v. CRTC and CNCP Telecommunications* stated that jurisdiction over telecommunications companies like The Island Telephone Company Limited rests with the federal government. Matters relating to that company are now dealt with by the Canadian Radio-television and Telecommunications Commission (CRTC) in Ottawa.

General

The Commission continues to operate with a Chairman and Chief Executive Officer as one full-time position, plus two part-time Commissioners.

During the last fiscal year Commission meetings, for general Commission business, totalled 87 in number. Meetings were held on a weekly basis with extra sessions as required.

In addition to its regular meetings, the Commission sat for 56 days of hearings during the last fiscal year. This is almost a fifty percent increase from the year before, primarily because of increased activity in the utilities area.

The Prince Edward Island Public Utilities Commission hosted the Annual Meeting of CAMPUT (Canadian Association of Members of Public Utility Tribunals), the national association of regulators in Canada, from September 26 to September 28, 1989. The working sessions for that program covered such topics as "Control of Capital Expenditures by Utilities", "Co-generation" and "Regulation and the Consumer Interface".

Regulators from nine provinces and the two territories attended the sessions. At the Annual Meeting, Linda St. Jean Webber assumed the Chairmanship of CAMPUT for the 1989-1990 term.

The Petroleum Division this past year saw the addition of the position of Assistant to the Director. Harry MacDonald was the successful candidate for this position. He comes to the Commission after 17 years' experience with the Department of Finance, Revenue Division, Gasoline and Diesel Tax. Mr. MacDonald has also been very active in the Union of Public Sector Employees, having been elected Vice-President in 1984 and President in 1988.

In the Motor Carrier Division, a computer program was developed for the receipt of applications and issuance of operating authorities, renewals and plates. This was accomplished with the assistance of the Board of Commissioners of Public Utilities and the Department of Transportation Information Systems of the Province of New Brunswick, and the Computer Services Division of the Province of Prince Edward Island. In addition to streamlining the processes and increasing efficiency, the program enables the Division to develop and produce statistical reports as required both federally and provincially.

Commission Personnel

Chairman and Chief Executive Officer - Linda St. Jean Webber

Commissioners - Anna C. Carr
C.C. "Bill" Hickey

Principal Staff Positions

Administration
Office Administrator - Deborah Murray

Motor Carrier Division
Administrator - Diane Gaudet
Inspector - Jack Darrach

Petroleum Division
Director - H. Doris Pursey
Assistant - Harry MacDonald

Utilities Division
Director - Donald G. Sutherland
Research Analyst - Shayne Hogan

TABLE 1

Meetings and Hearings

Year	Hearing Sessions	Meeting Sessions	Total	Public Hearings	In-Camera Hearings	Total
1990	63	87	150	56	7	63
1989	41	82	123	33	8	41
1988	49	75	124	42	7	49
1987	48	42	90	40	8	48
1986	71	37	108	61	10	71
1985	75	43	118	66	9	75
1984	57	54	111	56	1	56
1983	56	44	100	56	-	56
1982	47	53	100	41	6	47
1981	40	47	87	32	8	40

TABLE 2

Public Hearing Days

Year	Utilities Division	Motor Carrier Division	Petroleum Division	Total
1990	49	-	7	56
1989	21	3	9	33
1988	27	9	6	42
1987	22	13	5	40
1986	32	18	11	61
1985	35	23	8	66
1984	28	22	6	56
1983	23	30	3	56
1982	17	21	3	41
1981	14	12	6	32

TABLE 3

In-Camera Hearing Days

Year	Utilities Division	Motor Carrier Division	Petroleum Division	Total
1990	2	-	5	7
1989	7	-	1	8
1988	4	-	3	7
1987	5	1	2	8
1986	6	1	3	10
1985	7	-	2	9
1984	1	-	-	1
1983	-	-	-	-
1982	6	-	-	6
1981	8	-	-	8

Motor Carrier Division Report

Motor Carrier Division

Originally the trucking industry was regulated because of the monopoly position held by many truckers. In return for truckers guaranteeing to provide service in certain areas - many of which were remote - those truckers were given the sole authority to do business in that area. Routes and rates were also tightly regulated. These monopoly positions were defended strenuously, with new truckers entering the market usually only after lengthy hearings and proof that their services were needed by some shipper. The federal law in this area, which governed trucking between provinces, was similar to the law in most provinces in this respect.

With the passage of the federal *Motor Vehicle Transport Act, 1987* (MVTA 1987) the approach to the regulation of the trucking industry in Canada changed dramatically. So long as a trucker could prove he was fit, i.e. had an acceptable safety rating and was properly insured, he would be allowed into the marketplace to compete with other truckers - unless someone could prove that this would likely be detrimental to the public interest. This has turned out to be very difficult to prove. The result has been a flood of new entrants into the marketplace.

In 1988 the *P.E.I. Motor Carrier Act* was amended to bring it in line with the *MVTA 1987*.

For the fiscal year ending March 31, 1990, there were 156 applications, compared with 82 in 1989 and 38 the previous year. There were no objections filed to these applications.

Licenses and plates issued in 1989-90 totalled 3,700, compared with 3,285 for 1988-89 and 2,880 for 1987-88.

The tables show statistics with respect to operating authorities and applications for each fiscal year beginning with the year 1 April 1981 to 31 March 1982.

TABLE 1

Year	New and Amended Operating Authorities Issued	Temporary Authorities (Thirty-Days)	Temporary Permits (One-Trip)	Certificates of Intercorporate Exemption	Authorities Cancelled	Total Active Operating Authorities
1989	156	15	424	4	28	568
1988	82	9	346	3	26	480
1987	38	15	297	3	20	466
1986	43	17	409	3	23	467
1985	68	28	400*	-	77**	470
1984	83	32	901*	-	13	509
1983	88	65	1,152	-	19	494
1982	64	38	1,161	-	32	476
1981	77	19	1,166	-	7	475

* Decrease is related to an increase in exempt commodities.

** Sixty-four (64) Motor Carrier Operating authorities were cancelled following Commission approval to exempt certain commodities and vehicles from the provisions of the Motor Carrier Act R.S.P.E.I. 1974, CAP. M-14.1 as described in Commission orders No. M.C. 051285 and M.C. 301285.

TABLE 2

Year	Applications	Approved	Denied
1989	156	156	-
1988	82	82	-
1987	38	38	-
1986	43	43	-
1985	68	68	-
1984	84	83	1
1983	90	88	2
1982	65	64	1
1981	78	77	1

TABLE 3

Year	New Applications Motor Carrier	New Applications Bus	Amendments Motor Carrier	Amendments Bus	Authorities Transferred
1989	116	-	40	-	-
1988	40	-	42	-	-
1987	16	3	15	-	4
1986	19	1	17	-	6
1985	35	3	25	1	4
1984	27	1	45	1	9
1983	35	2	25	1	26
1982	32	1	18	-	13
1981	33	-	30	-	14

SCHEDULE 1

New Operating Authorities Issued

For The Fiscal Year
1 April 1989 -
31 March 1990

	Motor Carrier	Authority Type
1.	494080 Ontario Inc. O/A Checker Movers Ottawa, Ontario	Extra
2.	A & M Transport (1987) Ltd. Havelock, New Brunswick	Extra
3.	ABC Transportation Company Eufaula, Alabama, USA	Extra
4.	ABF Freight System Canada, Ltd. Toronto, Ontario	Extra
5.	Aerotec Sales & Leasing Ltd. d/b/a Johnston Transport Summerside, P.E.I.	Intra & Extra
6.	All Country Relocations Ltd. Calgary, Alberta	Extra
7.	All-Purpose Float Services Inc. Bolton, Ontario	Extra
8.	Thomas L. Armstrong & Sons Ltd. Apohaqui, New Brunswick	Extra
9.	Atlantic Colas Limited Dartmouth, Nova Scotia	Extra
10.	Atlantic Hide Haulers Limited New Glasgow, Nova Scotia	Extra
11.	Baird Transportation Systems Ltd. Kitchener, Ontario	Extra
12.	Beausejour Transport & Storage Ltd. Cap Pele, New Brunswick	Extra
13.	Big K Farms Limited Waterville, Nova Scotia	Intra & Extra
14.	Black's Harbour Transfer Ltd. Black's Harbour, New Brunswick	Extra
15.	Blue Mountain Trucking Corporation Blue Mountain, Mississippi, USA	Extra
16.	Robert Briggs Florenceville, New Brunswick	Extra
17.	Burgess Contracting Ltd. Havelock, New Brunswick	Extra
18.	C.P.M. Transport Liee. Grand Falls, New Brunswick	Extra
19.	Canadian Pacific Transport (U.S.), Inc. Cudahy, Wisconsin, USA	Extra
20.	Cape Transport Ltd. Murray Harbour, Prince Edward Island	Extra
21.	Tom Capstick Trucking Limited Cape Breton, Nova Scotia	Extra
22.	City Wide Delivery Ltd. Moncton, New Brunswick	Extra
23.	Blake A. Collins Fredericton, New Brunswick	Extra
24.	Connors Transfer Limited Stellarton, Nova Scotia	Extra
25.	R.S. Coughlan Ltd. Fredericton, New Brunswick	Extra
26.	D & J Savage Trucking Ltd. Grand Falls, New Brunswick	Extra
27.	D. & J. Trucking Ltd. Rothesay, New Brunswick	Extra
28.	D.S. Shingles & Lumber Ltd. Clair, New Brunswick	Extra
29.	Dallas & Mavais Forwarding Co., Inc. Kenosha, Wisconsin, USA	Extra

	Motor Carrier	Authority Type
30.	Dash Systems Limited Mississauga, Ontario	Extra
31.	Delco Enterprises Ltd. St. Antoine, New Brunswick	Extra
32.	Derby Transport Inc. Weyburn, Saskatchewan	Extra
33.	Distrans Inc. Charlesbourg, Quebec	Extra
34.	Roy Donahue's Transport & Reload Ltd. Fredericton, New Brunswick	Extra
35.	Donnelly Farms Ltd. Stickney, New Brunswick	Extra
36.	East Coast Freightways International Incorporated Truro, Nova Scotia	Extra
37.	East Coast Moving & Storage Ltd. West Royalty, Prince Edward Island	Intra
38.	Elson Transport Inc. Newcastle, New Brunswick	Extra
39.	ETI Energy Transportation Inc. Mississauga, Ontario	Intra & Extra
40.	Evangeline Equipment Rentals Limited Port Williams, Nova Scotia	Extra
41.	Federal Express Canada Ltd. Mississauga, Ontario	Intra & Extra
42.	C.E. Fisher Transport Limited Brookfield, Nova Scotia	Extra
43.	Future Fastfreight, Inc. Oakville, Ontario	Extra
44.	G & B Williams Enterprises Limited Barney's River Station, Nova Scotia	Extra
45.	Gerron Transport Ltd. Bereford, New Brunswick	Extra
46.	Ken Giberson Transport Ltd. Newcastle, New Brunswick	Extra
47.	Global Forwarding Company Limited Dartmouth, Nova Scotia	Extra
48.	Victor C. Harris Wolfville, Nova Scotia	Extra
49.	Henckell Investments Inc. d/b/a Abegweit Moving & Storage Charlottetown, Prince Edward Island	Intra
50.	Hibbs & Kaizer Transport Services Limited Dartmouth, Nova Scotia	Extra
51.	Hyndman Transport (1972) Limited Wroxeter, Ontario	Extra
52.	Imperial Roadways Ltd. Winnipeg, Manitoba	Extra
53.	Industrial Trucking Ltd. Moncton, New Brunswick	Extra
54.	Interpalco Inc. St-Pie-de-Bagot, Quebec	Extra
55.	Kenosha Auto Transport Corporation Kenosha, Wisconsin, USA	Extra
56.	Kenron Ltd. Fredericton, New Brunswick	Extra
57.	Kero Enterprises Limited Bedford, Nova Scotia	Extra
58.	Kingsco Transport Ltd. Sussex, New Brunswick	Extra
59.	Kriska Holdings Limited O/A Kriska Transportation Prescott, Ontario	Extra

	Motor Carrier	Authority Type
60.	Robert Labrecque et Fils Inc. St-Rosaire, Quebec	Extra
61.	M. Ludwig & Sons Limited Simcoe, Ontario	Extra
62.	Lyons Trucking Inc. Saint John, New Brunswick	Extra
63.	Andrew MacKean d/b/a MacKean's Auto Shuffle Montague, Prince Edward Island	Intra & Extra
64.	MacLean's Ready Mix Concrete Ltd. Montague, Prince Edward Island	Extra
65.	O.C. Maillet Transport Ltee. O.C. Maillet Transport Ltd. Ste. Marie, New Brunswick	Extra
66.	Mayne Nickless Transport Inc. Transports Mayne Nickless Inc. d/b/a Loomis Courier Service Vancouver, British Columbia	Intra & Extra
67.	E.J. McCully Enterprises Limited Debert, Nova Scotia	Extra
68.	Middlefield Road Equipment Limited Woodville, Ontario	Extra
69.	Miramichi Industries Ltd. Newcastle, New Brunswick	Extra
70.	Niki-Jacq Express Inc. Colborne, Ontario	Extra
71.	Donald Noble & Sons Ltd. Fredericton, New Brunswick	Extra
72.	O'Donnell's Trucking Company Limited St. Mary's Bay, Newfoundland	Extra
73.	Peake, Inc. Des Moines, Iowa, USA	Extra
74.	Wayne Pond d/b/a We-Trux Auto & Machinery Hauling Bloomfield Station, New Brunswick	Extra
75.	Preico & Vi-Ge Trans-Verre Inc. Riviere-du-Loup, Quebec	Extra
76.	Queensway Tank Lines Inc. Alexandria, Ontario	Extra
77.	R & A Trucking Ltd. Cape Bald, New Brunswick	Extra
78.	R & G Transport Ltd. Sussex, New Brunswick	Extra
79.	R.H.T. Enterprises Ltd. Moncton, New Brunswick	Extra
80.	RKF Truck Lines Limited Winnipeg, Manitoba	Extra
81.	John Delbert Reid Hampton, New Brunswick	Extra
82.	Riteway Delivery Ltd. Saint John, New Brunswick	Extra
83.	Rods Delivery Service & Movers Limited Welland, Ontario	Extra
84.	S & M Trucking Limited Sydney River, Nova Scotia	Extra
85.	S.G.T. 2000 Inc. St-Germain-de-Grantham, Quebec	Extra
86.	S.L.H. Transport Inc. Rexdale, Ontario	Intra & Extra
87.	Sanaka Air Inc. Charlottetown, Prince Edward Island	Intra & Extra

	Motor Carrier	Authority Type
88.	Schneider Specialized Carriers, Inc. Rochester, Minnesota, USA	Extra
89.	Seair Express Ltd. Sherwood Prince Edward Island	Intra & Extra
90.	David A. Shaw d/b/a Oak Ridge Farm Newport R.R. # 2, Nova Scotia	Extra
91.	Sussex Farm & Garden Ltd. Sussex, New Brunswick	Extra
92.	Barry Swan Transport Ltd. Bloomfield, Ontario	Extra
93.	T.A.G.R. Distributors Ltd. Woodstock, New Brunswick	Extra
94.	TNT Quebec Inc. St-Hubert, Quebec	Extra
95.	Terra Nova Transport Ltd. Petitcodiac, New Brunswick	Extra
96.	Transmedic Carriers, Inc. Largo, Florida, USA	Extra
97.	Transport Baie Chaleur Ltee. Caraquet, New Brunswick	Extra
98.	Transport Belmire Inc. St-Roch de L'Achigan, Quebec	Extra
99.	Transport Cabano Inc. Ancienne-Lorette, Quebec	Extra
100.	Transport W. Cyr (1984) Inc. St. Jerome, Quebec	Extra
101.	Transport R. Gervais Ltee. St-Narcisse, Quebec	Extra
102.	Transport R. Henault (1987) Inc. Bernieres, Quebec	Extra
103.	Transport Journeaux Inc. Port Daniel, Quebec	Extra
104.	Transport Raymond Lacombe Inc. Montreal, Quebec	Extra
105.	Transport P.A.C. Inc. St-Damase, Quebec	Extra
106.	Transport Y. Theberge Inc. Montreal, Quebec	Extra
107.	Tri-Line Expressways Ltd. Calgary, Alberta	Extra
108.	United Parcel Service Canada Ltd. Downsview, Ontario	Extra
109.	Volume Tank Transport Inc. Mississauga, Ontario	Extra
110.	Leith Kenneth Waite New Annan R.R. #2 Prince Edward Island	Intra & Extra
111.	Kevin Wareham Limited Arnold's Cove, Newfoundland	Extra
112.	Warren Transport Ltd. Rexton, New Brunswick	Extra
113.	White Trucking Ltd. White Trucking Ltee. Cape Pele, New Brunswick	Extra
114.	Winmar Truckers Agencies Limited New Germany, Nova Scotia	Extra
115.	Woodland Moving & Warehouse, Incorporated Hartford, Connecticut, USA	Extra
116.	Y & M Truck Line Ltd. Neguac, New Brunswick	Extra

SCHEDULE 2

Operating Authorities Cancelled

For The Fiscal Year 1 April 1989 - 31 March 1990

	Motor Carrier	Authority Type
1.	Bestway Household Movers Ltd. Richmond, British Columbia	Extra
2.	Borstad Cartage Limited Grande Prairie, Alberta	Extra
3.	Catharine Broadbent d/b/a Tomlinson Moving & Storage Chatham, Ontario	Extra
4.	Burge Bros. Transfer & Storage Ltd. Stellarton, Nova Scotia	Extra
5.	C & H Nationwide, Inc. Dallas, Texas, USA	Extra
6.	Gerard Roger Chouinard Chigougamau, Quebec	Extra
7.	Cole Enterprises d/b/a Coles Express Bangor, Maine, USA	Extra
8.	Congdon Distributors Ltd. Edmonton, Alberta	Extra
9.	D'Anjou Transport Inc. Moncton, New Brunswick	Extra
10.	Dinsdale Cartage & Storage (1968) Limited Brandon, Manitoba	Extra
11.	Dixon Van Lines Limited London, Ontario	Extra
12.	Dixon Van Lines (Montreal) Limited London, Ontario	Extra
13.	Harold Flynn d/b/a Flynn's Towing Cornwall, Prince Edward Island	Intra
14.	Arthur P. Gallant d/b/a All Rush Messenger & Delivery Service Summerside, Prince Edward Island	Intra
15.	Joachim Girard Repentigny, Quebec	Extra
16.	Highland Moving & Storage Ltd. Edmonton, Alberta	Extra
17.	Jeric Transport Ltd. Fredericton, New Brunswick	Extra
18.	Johnston Transport (1986) Limited Summerside, Prince Edward Island	Intra & Extra
19.	T. Landry Limited Ottawa, Ontario	Extra
20.	R.H. Leahy Transport Limited Trenton, Nova Scotia	Extra
21.	McCully & Soy Limited Truro, Nova Scotia	Extra
22.	Middup Moving & Storage (1979) Limited Markham, Ontario	Extra
23.	Stephen B. Nason Fredericton, New Brunswick	Extra
24.	Prudential Van & Storage Limited Winnipeg, Manitoba	Extra
25.	E.F. Rhodenizer Transfer Limited Berwick R.R. #5, Nova Scotia	Extra
26.	Transport Brazeau Inc. Riviere-du-Loup, Quebec	Intra & Extra
27.	Transport Cabano Inc. Riviere-du-Loup, Quebec	Extra
28.	Transport Route Canada Inc. Etobicoke, Ontario	Intra & Extra

Petroleum Division Report

Petroleum Division Report

The Petroleum Division is responsible for the administration of the Petroleum Products Act (presently cited as R.S.P.E.I. 1988 Cap. P-5) and Regulations thereunder. This statute applies to all wholesalers and retailers involved in the distribution and sale of petroleum products within Prince Edward Island.

One major area of activity for the Commission involves dealing with applications for the initial establishment of petroleum products outlets. The legislation requires that new retailers' outlets can be licensed only if the Commission judges that public convenience and necessity so require. Also, when renewing licenses (required annually), the Commission is mandated to consider the quantity of petroleum products sold in the previous year and the service which the outlet renders to the community in which it is situated.

This area of responsibility often results in lengthy hearings at which owners/operators of existing outlets argue that another outlet is not needed in the area, while the person wishing to establish a new outlet tries to prove the opposite. Also, because of the need to consider the service rendered to the community, the Commission must review applications by owners and/or operators of outlets to change the mode of service being offered, e.g. to eliminate automotive bay services and substitute a car wash or a convenience store.

Another significant area of activity for the Commission is the legislative requirement that the Commission approve wholesale price changes for petroleum products—both increases and decreases—only if these proposed changes are proven by the applicants to be just and reasonable. The Commission was given this mandate in 1987. In addition, the Commission continues to have authority to fix and determine retailers' minimum and maximum markups.

On a day-to-day basis, the Commission is involved in such things as approving changes to storage and dispensing units at outlets, structural design changes at outlets (from a safety as well as a service perspective), product additions and changes, proper labelling and pricing of products, and handling complaints from the public with respect to all aspects involving the handling and dispensing of petroleum products. The Commission's jurisdiction extends to all wholesale and retail outlets involving bulk petroleum products (including propane), e.g. marine terminals, bulk storage facilities, distributors and tank truck operators involved in the distribution of products to ultimate consumers, service stations, garages, outlets serving watercraft, etc.

A summary of the more significant matters dealt with during the last fiscal year is outlined below.

During this fiscal period, the Commission issued Order No. P.890816 which set out general rules to be applied with respect to applications for changes in wholesale prices of petroleum products. This measure was taken to ensure consistency and uniformity in applications to better enable the Commission to make informed decisions relating to the justness and reasonableness of prices of petroleum products in this jurisdiction. As well, the Commission issued twenty Decisions and Orders dealing with the many individual applications filed under Section 24 of the Act for increases or decreases in product prices.

In an effort to assist the public in making informed decisions with regard to petroleum product purchases, it was determined by the Commission that, commencing 1 August 1989, approved dealer prices of the various petroleum products, together with tax and markup information, would be periodically published in the local press.

On 29 May 1989, Montague Tire Sales & Service received approval to add a convenience store to its gasoline outlet located in Brudenell, and Larry Creed was granted approval to establish an initial gasoline outlet in conjunction with bay service in the Albion area.

On 8 June 1989, approval was granted with respect to an application by David MacPhail relative to a proposed new gasoline outlet in connection with a convenience store to be located in North River.

The Commission approved an application on 21 June 1989 to permit the conversion of the restaurant which was operated in conjunction with the Wilmot Service Station operated by David Pineau to that of a snack shop.

After considerable discussion and revisions to plans, the Commission approved on 16 August 1989 an application by Imperial Oil Limited with regard to proposed renovations to provide for a separation of the bay service and snack shop facilities at its Queens Arms Service Station located in West Royalty.

On 20 November 1989, the Commission approved an application of Kenmac Energy Inc. relative to the proposed establishment of a new bulk storage plant at Jude's Point.

On 8 February 1990, plans filed in respect of renovations to be carried out by the new owner of the Hillside Service Station located in Crapaud regarding the joint use of this outlet as a convenience store with bay service were granted approval.

On 22 March 1990, Irving Oil Limited was granted approval of an application in respect of the East River Service Station at Mount Stewart to remove the requirement to offer bay services at this location, and plans filed by Cascumpec Service Centre Ltd. with respect to the joint use of its gasoline outlet located at Cascumpec to include a convenience store were approved.

On 13 March 1990, the Commission commenced a public hearing with regard to an application from Irving Oil Limited relating to its gasoline outlet known as the Marshfield Service Station. This hearing continued on 27 and 28 March 1990, at which time it was again adjourned to reconvene on 4 April 1990.

During the construction season covered by this report, work continued with regard to upgrading facilities at marine locations, where in several instances, small individual outlets were decommissioned (mostly due to the age of underground storage tanks or dispensing units), and new storage and updated keylock facilities were installed. These efforts are seen as significant in reducing the risk to the environment at these sensitive locations.

During this period, the assets of Texaco Canada Inc. in this Province which were first purchased by Imperial Oil Limited were ordered resold by the Director of Investigation and Research (Competition Tribunal - Ottawa). As well, Texaco Canada Inc. changed its name to McColl-Frontenac Inc., requiring the reissuance of all licenses involving the former Company. At the end of this fiscal period, no decision had been reached relative to the proposed resale of the former Texaco assets, which assets include its Charlottetown marine terminal and several bulk storage outlets and retail sites located throughout the Province.

The Commission has closely monitored the occurrences in this area, because of their potential to affect product supply as well as competition

in Prince Edward Island. The Charlottetown marine terminal facility of McColl-Frontenac Inc. (formerly Texaco Canada Inc.) was not only supplying Texaco, but was also in more recent times the major source of supply in this Province for Ultramar, Petro-Canada and Co-op Atlantic. If that facility is not part of the sale of assets by Imperial Oil Limited, then the Province will only be served by two major marine terminals in the Charlottetown area, those being operated by Imperial Oil Limited and Irving Oil Limited.

The Commission had under consideration during this period applications relative to the proposed introduction in this jurisdiction of additional gasoline products (both refined and blends of existing products), as well as the proposed installation of blender pumps at retail sites. Due to the requirement that petroleum products sold in this jurisdiction must meet specific minimum standards, that prices for same must be approved by the Commission, and that changes in regulations are required in order to accommodate the introduction of these proposed new products and equipment, these additional products were not being marketed in this Province by the end of this fiscal period. The Commission did, however, issue a Decision and Order on 3 March 1990 setting forth the steps which had been taken by the Commission to provide for mid-grade products to be marketed in this Province, as well as the requirements to be met by each wholesaler prior to the introduction of a mid-grade product in this jurisdiction.

As in previous years, routine inspections were conducted at the many types of outlets licensed by the Commission, and where necessary, enforcement carried out, with several violations being noted and dealt with in a variety of ways depending on the type of situation involved. Show cause hearings were held in a number of these matters. As well, several investigations were conducted as a result of complaints registered with the Commission.

During this period, Commission representatives met on various occasions with Government officials regarding legislative matters and appeared before the special committee formulated for the purpose of reviewing the proposed new Petroleum Products Act (Government Bill No. 42). First reading of this Bill occurred on 13 March 1990.

Following is the annual statistical data in numerical and graph form involving numbers of licenses issued, retail licenses by classification, summary of total product sales, total gasoline sales, and total retail gasoline sales (excluding marine) for the calendar years 1981-1989 inclusive.

TABLE 1

Summary of Licenses Issued Under the Petroleum Products Act

Year	Total	Wholesalers	Retail Outlets	Retail Distributors	Tank Trucks
1989	461	10	304	40	107
1988	463	9	306	40	108
1987	472	9	311	43	109
1986	474	9	318	42	105
1985	472	9	320	41	102
1984	468	9	313	40	106
1983	467	9	304	44	110
1982	473	8	297	48	120
1981	479	8	287	53	131

TABLE 2

Summary of Retail Outlets by Classification

Year	Total	Stations	Merchants	Garages	Marine	Propane
1989	304	120	50	20	102	12
1988	306	119	50	21	107	9
1987	311	123	49	21	110	8
1986	318	121	50	22	115	10
1985	320	126	48	20	116	10
1984	313	131	43	20	109	10
1983	304	135	40	20	107	2
1982	297	133	42	22	100	—
1981	287	130	41	24	92	—

TABLE 3

Summary of Petroleum Products Sold

(In Litres)

Year	Total	Gasoline	Fuel Oil	Diesel	Propane
1989	420,755,004	178,181,336	165,956,570	59,728,041	16,889,057
1988	437,926,010	181,614,091	167,677,858	72,140,283	16,493,778
1987	398,942,932	175,785,188	155,891,648	52,495,817	14,770,279
1986	390,891,140	173,072,351	157,013,721	46,525,582	14,279,486
1985	395,515,297	170,738,190	154,336,546	56,911,821	13,528,740
1984	370,160,564	166,387,511	136,269,138	55,010,016	12,493,899
1983	363,397,813	171,110,953	129,291,194	51,253,643	11,742,023
1982	390,872,699	171,649,334	156,470,449	52,381,167	10,371,749
1981	411,631,356	184,905,970	163,394,590	53,575,400	9,755,396

FIGURE 1

Summary of Retail Outlets

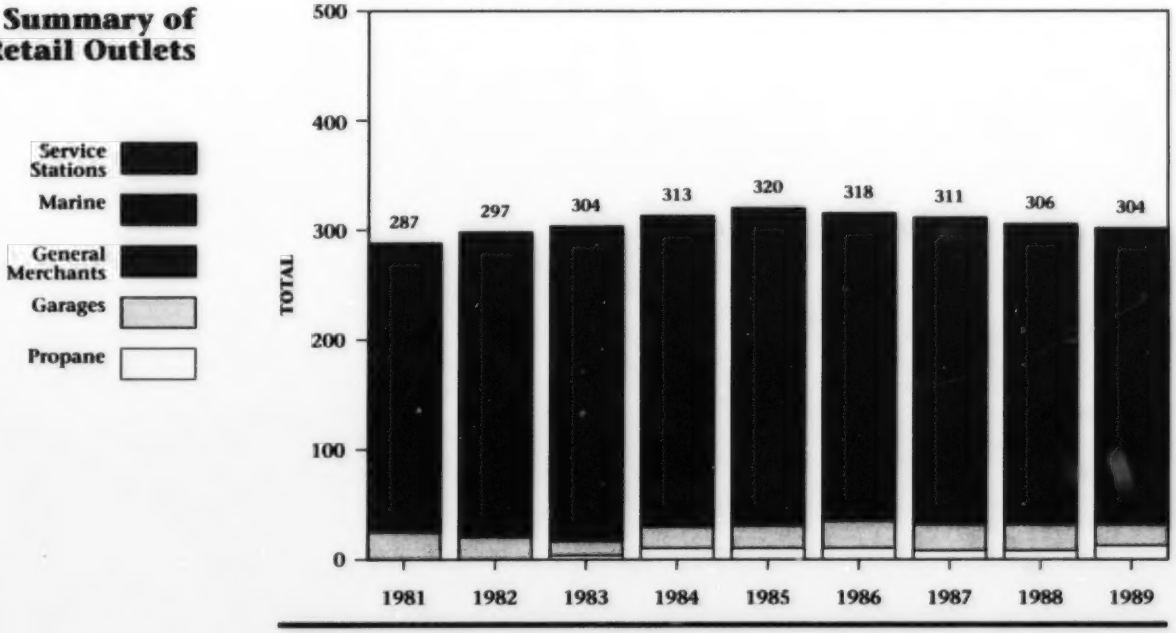


FIGURE 2

Summary of Total Sales

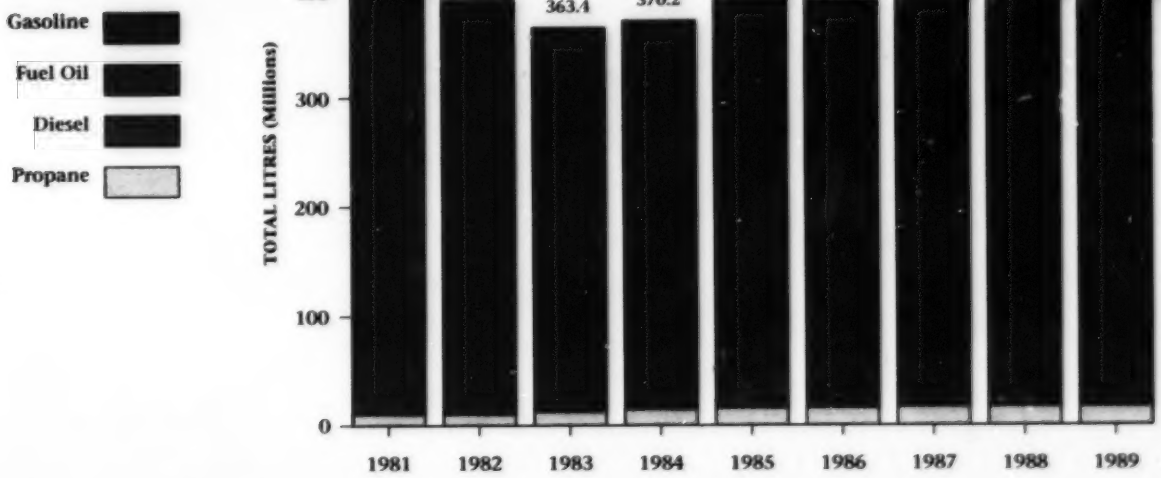


FIGURE 3

Summary of Gasoline Sales Retail

(Excluding Marine)

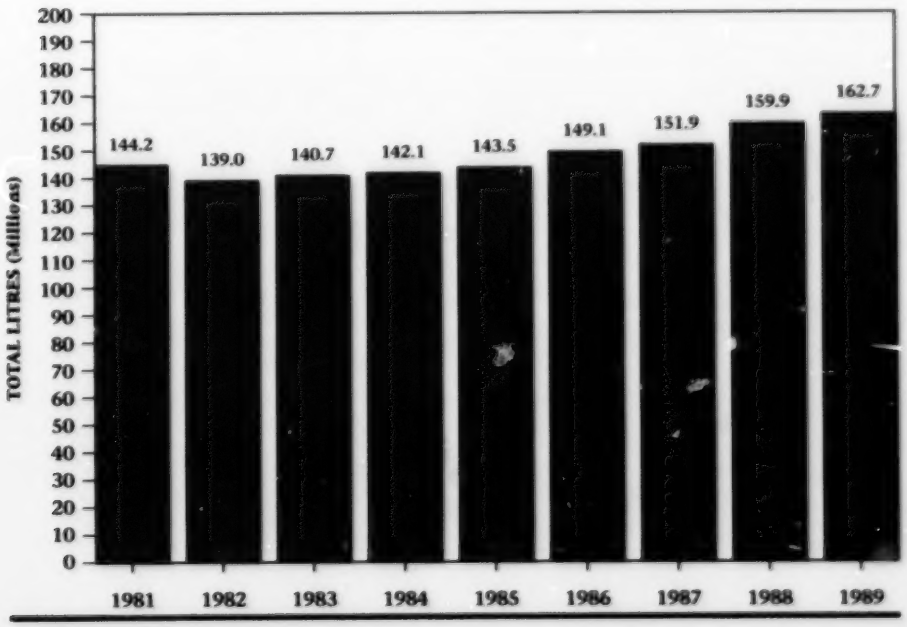
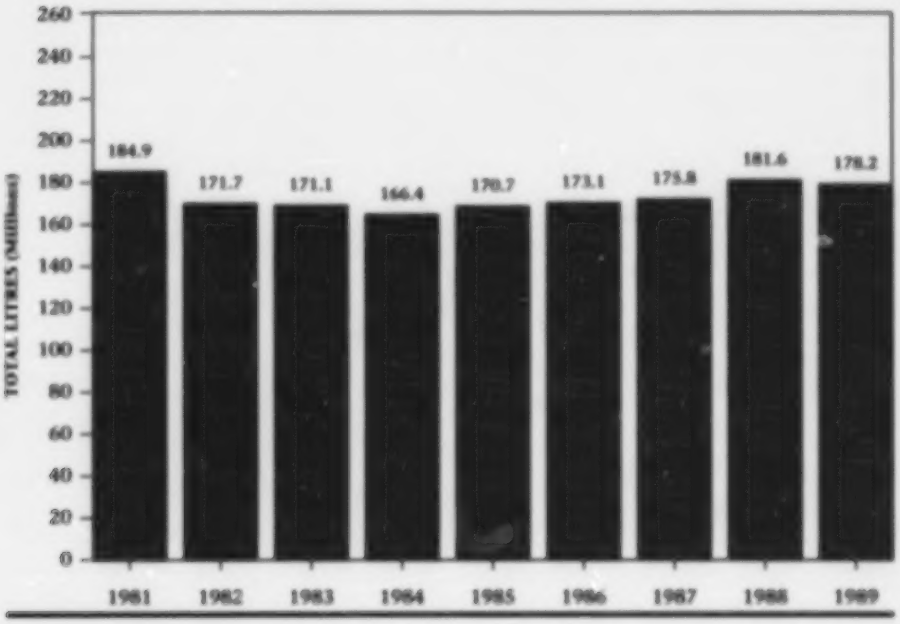


FIGURE 4

Summary of Total Gasoline Sales



Summary of Orders Issued

April 1, 1989 - March 31, 1990

Date	Order No.	Re
89/04/20	P.890420	Texaco Canada Inc. - Order re reduction in the posted wholesale consumer tank truck prices of all grades of gasoline, diesel fuel, stove oil and furnace oil.
89/05/23	P.890523	Imperial Oil Limited, Shell Canada Products Limited and Co-Op Atlantic - Order re increase in pricing schedules.
89/06/20	P.890620	Petro-Canada Inc. and Texaco Canada Inc. - Order re pricing schedules (Supplement to P.890523)
89/06/08	P.890608	Ultramar Canada Inc. - Order re prices charged by wholesalers and retailers for petroleum products in the Province of Prince Edward Island (Supplement to P.890523)
89/06/28	P.890628-1	Irving Oil Limited - Order re prices charged by wholesalers and retailers for petroleum products in the Province of Prince Edward Island (Supplement to P.890523)
89/06/28	P.890628-2	Texaco Canada Inc. - Order re prices charged by wholesalers and retailers for petroleum products in the Province of Prince Edward Island (Supplement to P.890602)
89/07/05	P.890705(1)	Petro-Canada Inc. - Order re prices charged by wholesalers and retailers for petroleum products in the Province of Prince Edward Island (Supplement to P.890602)
89/07/05	P.890705-2	Imperial Oil Limited - Order re prices charged by wholesalers and retailers for petroleum products in the Province of Prince Edward Island.
89/08/16	P.890816	Order re filing of applications for price changes.
89/08/23	P.890823	Imperial Oil Limited - Order re increases in pricing schedules (consumer and dealer)
89/09/20	P.890920	Texaco Canada Inc. (now McColl-Frontenac Inc.) - Order re increases in prices charged by wholesaler for stove oil and furnace oil.
89/09/29	P.890929-1	Co-Op Atlantic - Order re increases in prices charged by wholesaler for stove oil and furnace oil.
89/09/29	P.890929-2	Imperial Oil Limited - Order re reduction in price charged by wholesaler for furnace oil (residential).

Summary of Orders Issued

April 1, 1988 - March 31, 1989 Cont'd

Date	Order No.	Re
89/11/02	P.891102	Irving Oil Limited - Decision & Order re unauthorized installation of blender- type dispensing unit at Montrose Service Station.
89/12/19	P.891219	CFB - Base Service Station - Order re differential or markup between the posted tank truck price and retail price of gasoline and diesel products sold or offered for sale within P.E.I.
90/01/12	P.900112-1	Superior Propane Inc. - Order re application to increase prices charged for propane.
90/01/12	P.900112-2	Atlantic Speedy Propane Limited - Order re application to increase prices charged for propane.
90/01/31	P.900131	Ultramar Canada Inc. - Order re increase in price charged by wholesaler for furnace oil.
90/02/02	P.900202	Atlantic Speedy Propane Limited - Order re application to decrease prices charged for propane.
90/02/07	P.900207	Superior Propane Inc. - Order re application to decrease prices charged for propane.
90/02/09	P.900209	Ultramar Canada Inc. - Order re application for increase in prices charged by wholesaler for diesel fuel and stove oil.
90/02/16	P.900216	Atlantic Speedy Propane Limited - Order re application to decrease prices charged for propane.
90/02/21	P.900221	Superior Propane Inc. - Order re application to decrease prices charged for propane.
90/03/09	P.900309	Decision & Order re the introduction of mid-grade unleaded gasoline in Prince Edward Island.

Utilities Division Report

Utilities Division Report

I. Introduction

The Commission's Utilities Division is responsible for the administration of the *Electric Power and Telephone Act* and the *Water and Sewerage Act*. The former statute applies, in the area of electric power regulation, to Maritime Electric Company, Limited, the province's principal supplier of electricity, and to the Town of Summerside Municipal Electric Utility insofar as the Town supplies electricity to customers outside its corporate limits. In the telecommunications sector, the statute applied until recently to The Island Telephone Company Limited, the province's principal supplier of telecommunications services. In August of 1989, the Supreme Court of Canada in the decision of *Alberta Government Telephones v. CRTC and CNCP Telecommunications*, ruled that telecommunications was a matter of federal, not provincial, responsibility. Since that time, Island Tel has been regulated by the federal Canadian Radio-television and Telecommunications Commission (CRTC).

The *Water and Sewerage Act* applies to all water and sanitary sewerage utilities in the province. Currently, the Commission regulates some thirty-nine of these utilities.

The purpose of regulating public utilities is to ensure that, where essential public services are provided by monopolies, such services are furnished to the consumer in an adequate and safe manner at lowest possible costs. As this form of economic regulation is a substitute for competition, the ongoing operations of public utilities are monitored to ensure that utilities are meeting their public service obligations in an effective, efficient manner.

In addition to the approval or establishment of rates for utilities, the Commission is involved in the review of plans for service expansion and improvement. For example, in the case of water and sanitary sewer utilities, central core-area plans are developed to define the principal water and sanitary sewage service areas within communities. Areas within a central core are normally developed at the initial expense of the utility and usually with the financial assistance of the provincial government. Areas outside the central core are normally serviced with a 90% capital contribution from developers.

In the case of privately-owned public utilities, the Commission directly regulates earnings, or the rate of return to shareholders. Where a utility generates surplus revenues, they are returned to ratepayers or otherwise held at the direction of the Commission for the benefit of ratepayers. For example, for the year ending December 31, 1989, Maritime Electric generated $820,000 in surplus revenues. This amount was rebated to the Company's customers in 1990 through customer billing adjustments.

In regulating public utilities, the Commission also assists in the resolution of customer problems where they cannot be resolved through the normal complaint procedures of utilities. In most cases, the complaint resolution process is an informal one designed to keep costs to the consumer to a minimum.

Regulation in both the electric and water utility areas has, in recent years, become more concerned with conservation. Rate design - the manner in which costs are allocated to different customer classifications - is a tool now being used to encourage the more efficient use of utility services. Declining rate blocks - which involve reduced rates for increased consumption - are being replaced with single-block rate structures which tend to reduce consumption. In addition, *Demand Side Management* (DSM) programs are being introduced by Maritime Electric to encourage the more efficient use of electricity. This year, the Company introduced a pilot program for residential high efficiency lighting. Additional DSM programs and the expansion of the high efficiency lighting program are

planned for later this year. The Commission is committed to the DSM initiatives of utilities in the province and it encourages consumers to actively participate in these initiatives.

II. Regulatory Highlights

During the year, the Commission dealt with a number of proceedings involving the issuance of securities and the approval or establishment of new or amended rates for municipal utilities. The Commission also commenced public hearings into several Rates-related matters for utilities under its jurisdiction for which decisions of the Commission have yet to be issued.

During the months of January and February 1990, the Commission conducted some 12 days of Phase I public hearings into a November 14, 1989 application by Maritime Electric for approval of increases in its *General Tariff* averaging 5.5 percent. The Phase I hearings, which concluded on February 9, 1990, concerned themselves with the revenue requirement aspects of the Company's application.

In February, 1990, the Commission approved 1990 capital programs for Maritime Electric totaling $13,938,250. Approval of a portion of the Company's 1990 proposals to the Commission was deferred pending receipt and review of additional information.

The Company's 1990 capital programs include expenditures of close to $2,000,000 for the first of a five-year, $18,000,000 program to extend the service life of the Charlottetown generating station. Work scheduled for 1990 includes detailed inspection of the generating units and an assessment of the repairs needed to fulfill the program's objectives. The program is anticipated to result in long-term savings to the consumer.

In May and June of 1989, the Commission held hearings into the issue of appropriate rate area boundaries of Maritime Electric. These hearings, which were held to receive public input into the current City-Town-Rural boundary structure and to look at alternative structures, were poorly attended despite efforts to widely publicize the hearings.

During the year, the Commission also held some eight days of public hearings into an application by Maritime Electric for amendments to its rates for services provided the Town of Summerside Municipal Electric Utility. The evidence presented in this case has since been consolidated for disposition in the Maritime Electric *General Tariff* hearings.

In June and August of 1989, the Commission held hearings into the parameters used by Maritime Electric in the design of its rates.

During the reporting period, the Commission also commenced public hearings into applications by the Town of Parkdale and the Community of Sherwood for increases in their respective rates. The Sherwood proceeding itself comprised some eight days of evidentiary hearings and extensive documentary evidence on the utility's proposals. Decisions on these applications are pending.

Complaints against public utilities during this year were again focused primarily on disputes over billings. Service-related complaints - those dealing with service quality or availability - were uncommon. During the year, the Division had in excess of 100 informal complaints lodged against utilities and several hundred utility-related inquiries. An automated complaint- inquiry reporting system, which will assist the Commission in determining customer-utility problem areas, is under development.

All utility statistical information in this section of the report is based upon data for the calendar year 1989.

Summary of Orders Issued

April 1, 1989 - March 31, 1990

Date	Order No.	Re
89/5/19	E890519	Maritime Electric - Order approving the issue and sale of 25 Series D Preferred Shares.
89/7/5	S890705	North River Sanitary Sewerage Utility - Order amending Commission Order No. S890330.2*.
89/7/5	T890705	Island Tel - Order approving the issue of common shares of its capital stock.
89/7/12	T890712	Island Tel - Order approving the issue of First Mortgage Bonds, Series "I".
89/7/12	W890712	Aqua Resources Ltd. - Order establishing an interim schedule of rates and charges for water services.
89/9/6	W890906	Northgate Waterworks Inc. - Order approving an interim schedule of rates and charges for water services provided to residents in Cornwall.
89/9/29	S890929	Crapaud Sewerage Collection and Treatement Corporation - Order approving an upward revision to its schedule of rates and charges.
89/10/4	W891004	Town of Parkdale Sewer and Water Utility - Order approving a variance to the requirements of Part 6.0 of the Prince Edward Island Municipal Water and Sewerage Utilities General Rules and Regulations.
89/10/11	S891011	East Royalty Pollution Control Corporation - Order amending Commission Order No. S880317.*
89/10/18	W891018	The Prince Edward Island Department of the Environment/Crossroads Water Utility - Order approving the establishment of an interim schedule of rates and charges for water services provided in the Cable Heights Subdivision in the Community of Crossroads.
89/11/3	S891103	Mount Stewart Sewerage Disposal Utility Corporation - Order approving an upward revision to its schedule of rates and charges for sanitary sewerage services.
89/11/23	S891123	West Royalty Sewer Utility - Order approving a variance to the requirements of Part 6.0 of the Prince Edward Island Municipal Sewerage Utilities General Rules and Regulations.

Summary of Orders Issued

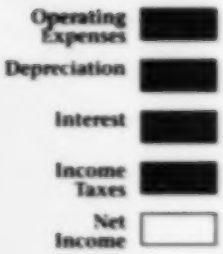
April 1, 1989 - March 31, 1990 Cont'd

Date	Order No.	Re
89/11/29	W891129	Sherwood Sewerage and Water Utility Corporation - Order amending Commission Order W881102.
89/12/19	E891219.1	Maritime Electric - Order directing the disposition of 1989 surplus revenue.
90/1/9	E90-1	Maritime Electric - Order approving the direction for allowance, as an expense properly chargeable to operating account for any year, of amounts actually contributed by the utility to its employee pension fund.
90/1/9	E90-2	Maritime Electric - Order approving rates of depreciation for several classes of property.
90/1/9	E90-3	Maritime Electric - Order approving the issue of First Mortgage Bonds.
90/1/22	W90-1	Bunbury-Southport Pollution Control Commission - Order approving the establishment of a sanitary sewerage charge for customers who dispose of sewage at the Utility's lagoon site.
90/2/9	W90-2	Community of Tignish Sewage Collection and Treatment Corporation - Order approving an upward revision to its schedule of rates and charges for sanitary sewerage services.
90/2/21	W90-3	East Royalty Pollution Control Corporation - Order approving a sanitary sewerage system core area plan.
90/2/23	E90-4	Maritime Electric - Order approving a 1990 capital budget.
90/3/14	W90-5	Mount Stewart Sewerage Disposal Utility Corporation - Order amending Commission Order No. S891103.
90/3/26	E90-5	Maritime Electric - Order revoking Commission Order E90-3.

Selected Statistics Maritime Electric

FIGURE 1

Total Annual Expenses



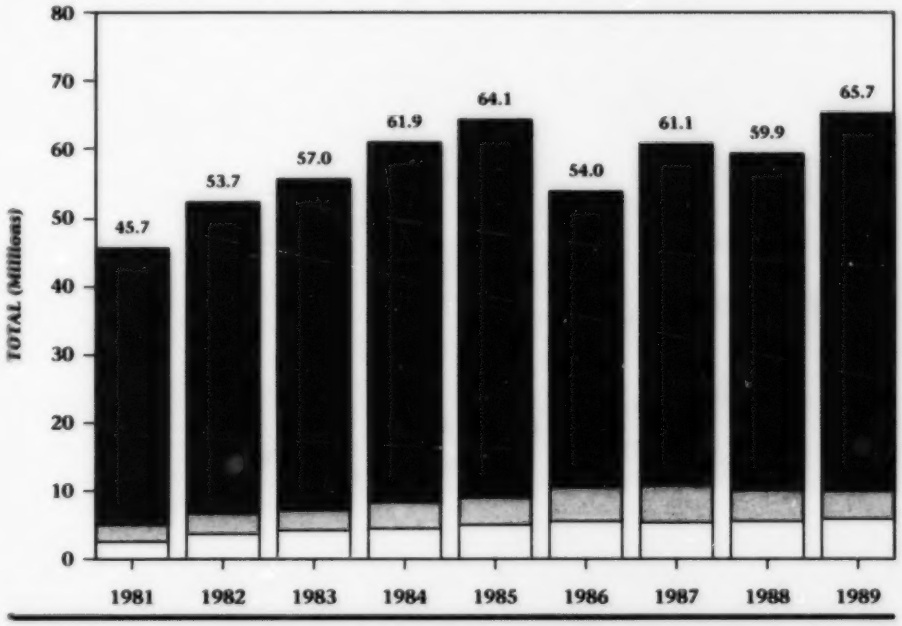


FIGURE 2

1989 Total Annual Expenses

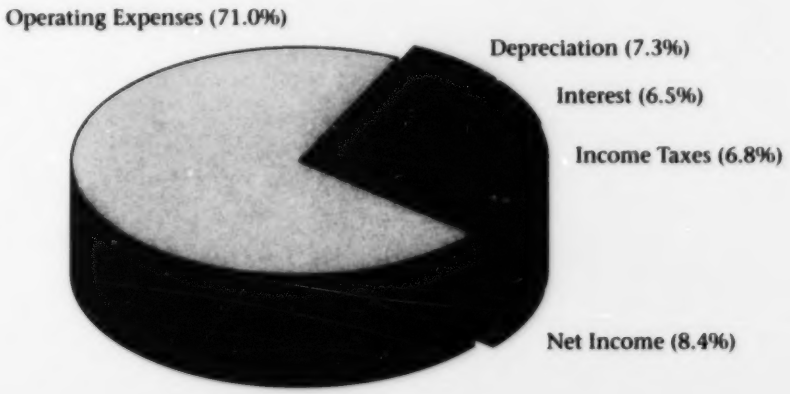


TABLE 1

Total Annual Expenses

	Operating Expenses	Depreciation	Interest	Income Taxes	Net Income
1989	71.0%	7.3%	6.5%	6.8%	8.4%
1988	69.4%	7.2%	6.3%	8.3%	8.8%
1987	70.7%	6.6%	5.4%	8.9%	8.4%
1986	68.6%	6.7%	5.9%	9.0%	9.8%
1985	73.7%	5.3%	6.1%	7.0%	7.9%
1984	73.8%	5.4%	6.4%	6.6%	7.8%
1983	72.6%	5.2%	7.2%	7.0%	8.0%
1982	71.6%	5.3%	9.1%	6.7%	7.3%
1981	78.0%	4.9%	6.0%	5.5%	5.6%

FIGURE 3

Total Company Sales

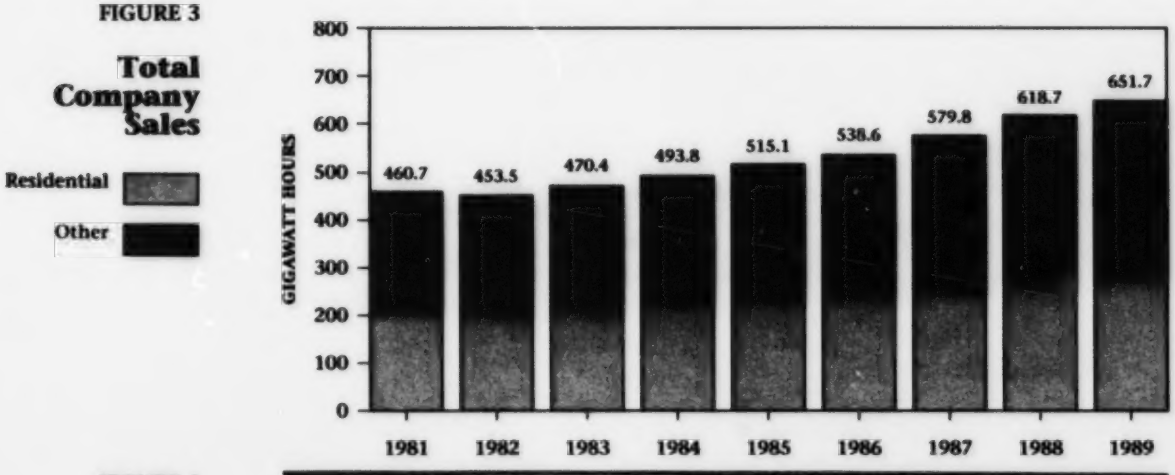


FIGURE 4

Customer Data

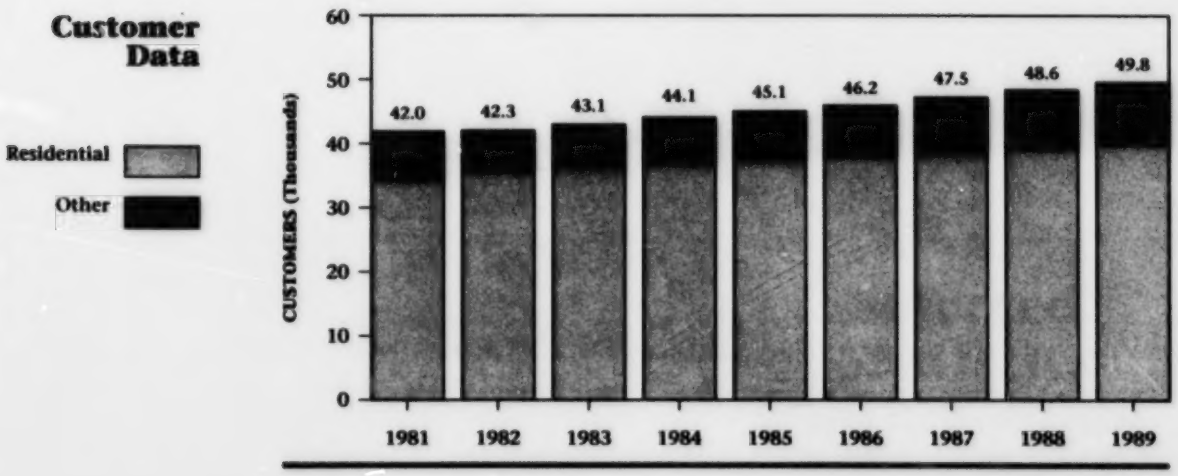


FIGURE 5

Sources of Energy

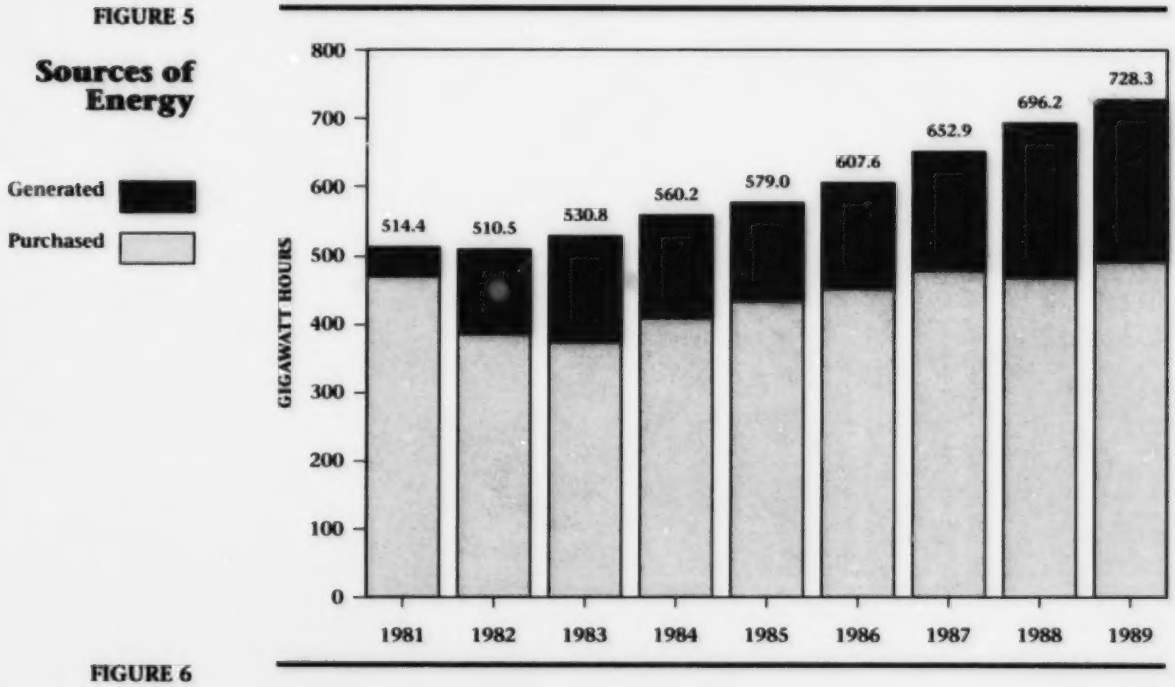
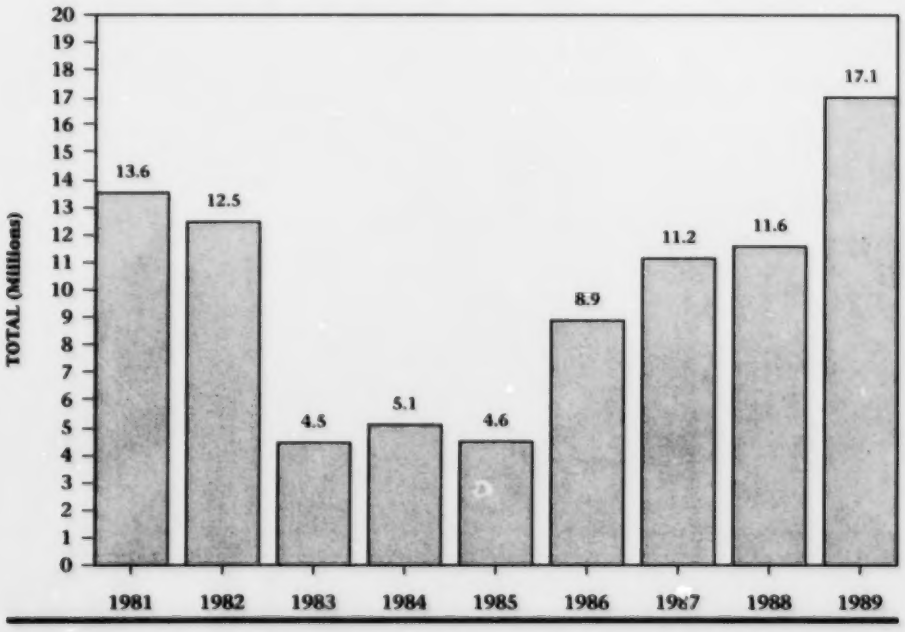


FIGURE 6

Capital Expenditures



Selected Statistics Summerside Electric

SUMMERSIDE ELECTRIC

FIGURE 1

Total Annual Expenses

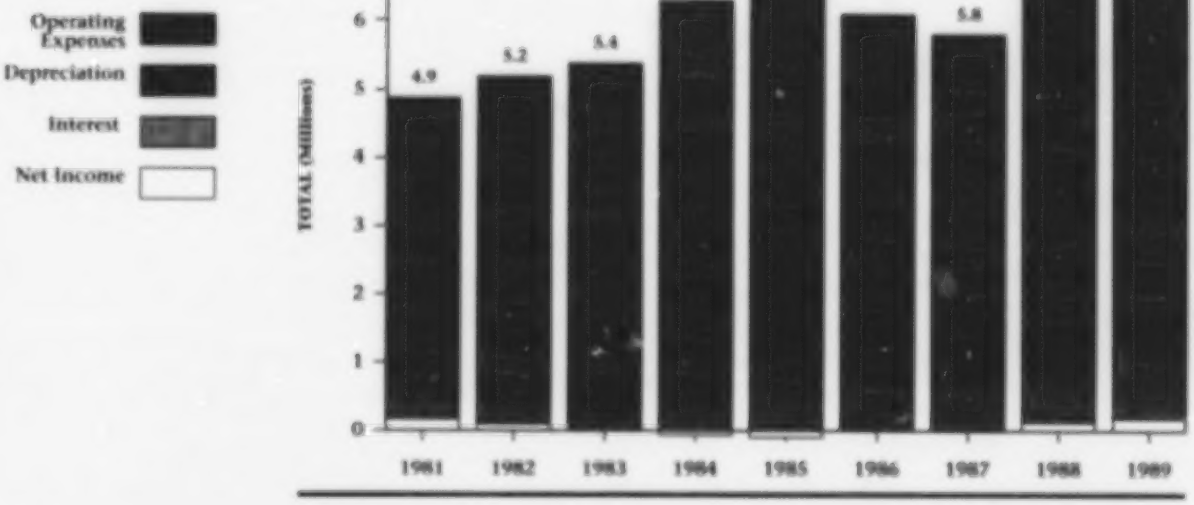


FIGURE 2

1989 Total Annual Expenses

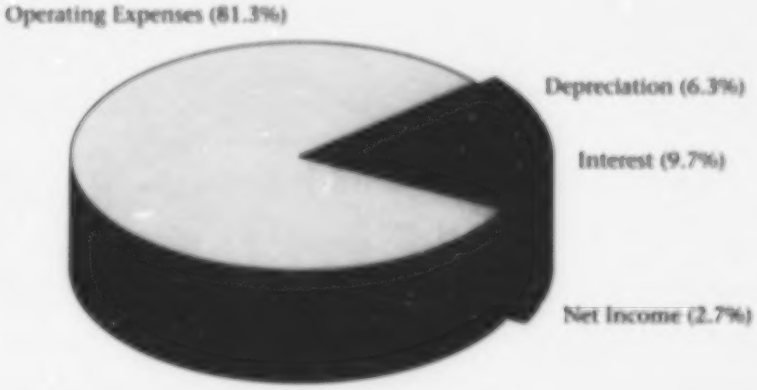


TABLE 1

Total Annual Expenses

	Operating Expenses	Depreciation	Interest	Net Income
1989	81.3%	6.3%	9.7%	2.7%
1988	83.1%	5.8%	9.4%	1.7%
1987	81.7%	6.6%	11.3%	0.4%
1986	83.7%	6.2%	10.0%	0.1%
1985	87.6%	5.1%	9.2%	(1.9%)
1984	88.3%	5.6%	7.0%	(0.9%)
1983	92.2%	3.7%	4.1%	0.0%
1982	89.2%	3.4%	5.0%	2.4%
1981	87.4%	3.5%	5.2%	3.9%

FIGURE 3

Total Sales

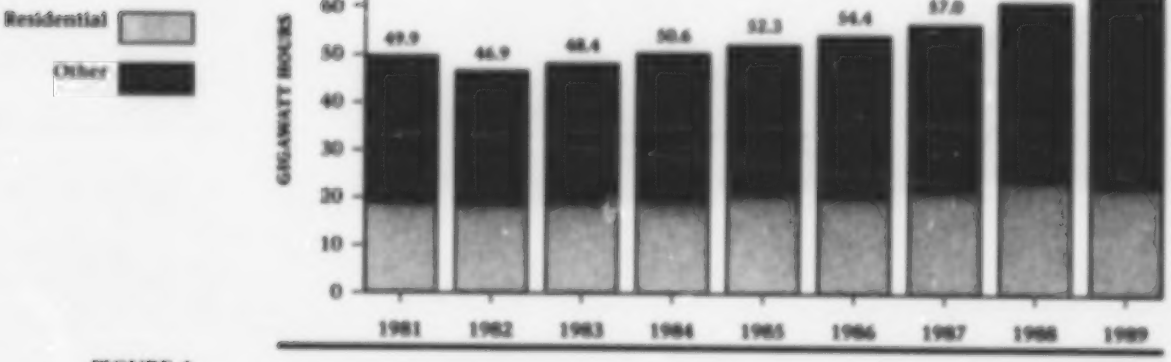
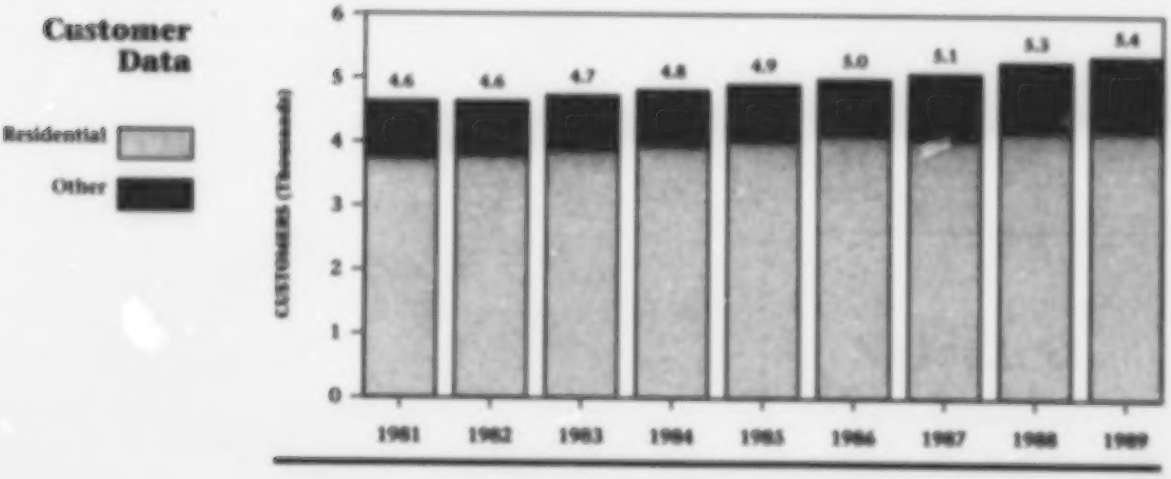


FIGURE 4

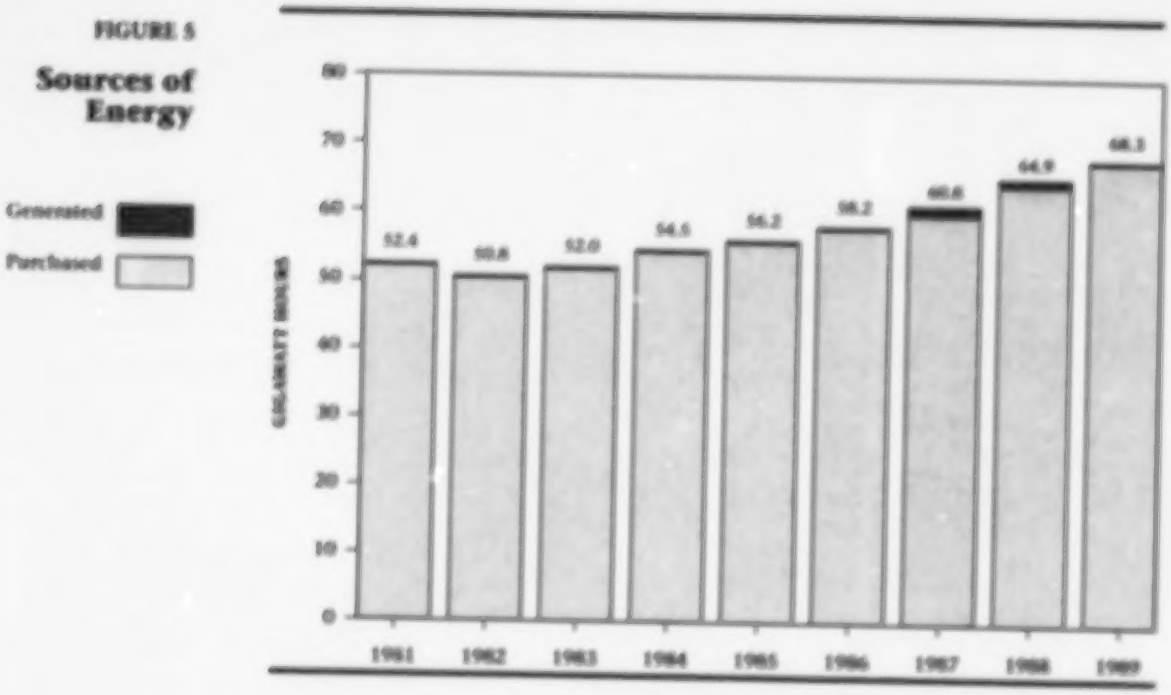
Customer Data



SUMMERSIDE ELECTRIC

FIGURE 5

Sources of Energy



Selected Statistics

Municipal Water & Sewer Utilities

MUNICIPAL SEWERAGE UTILITIES

FIGURE 1

Current Single-Family Dwelling Charge

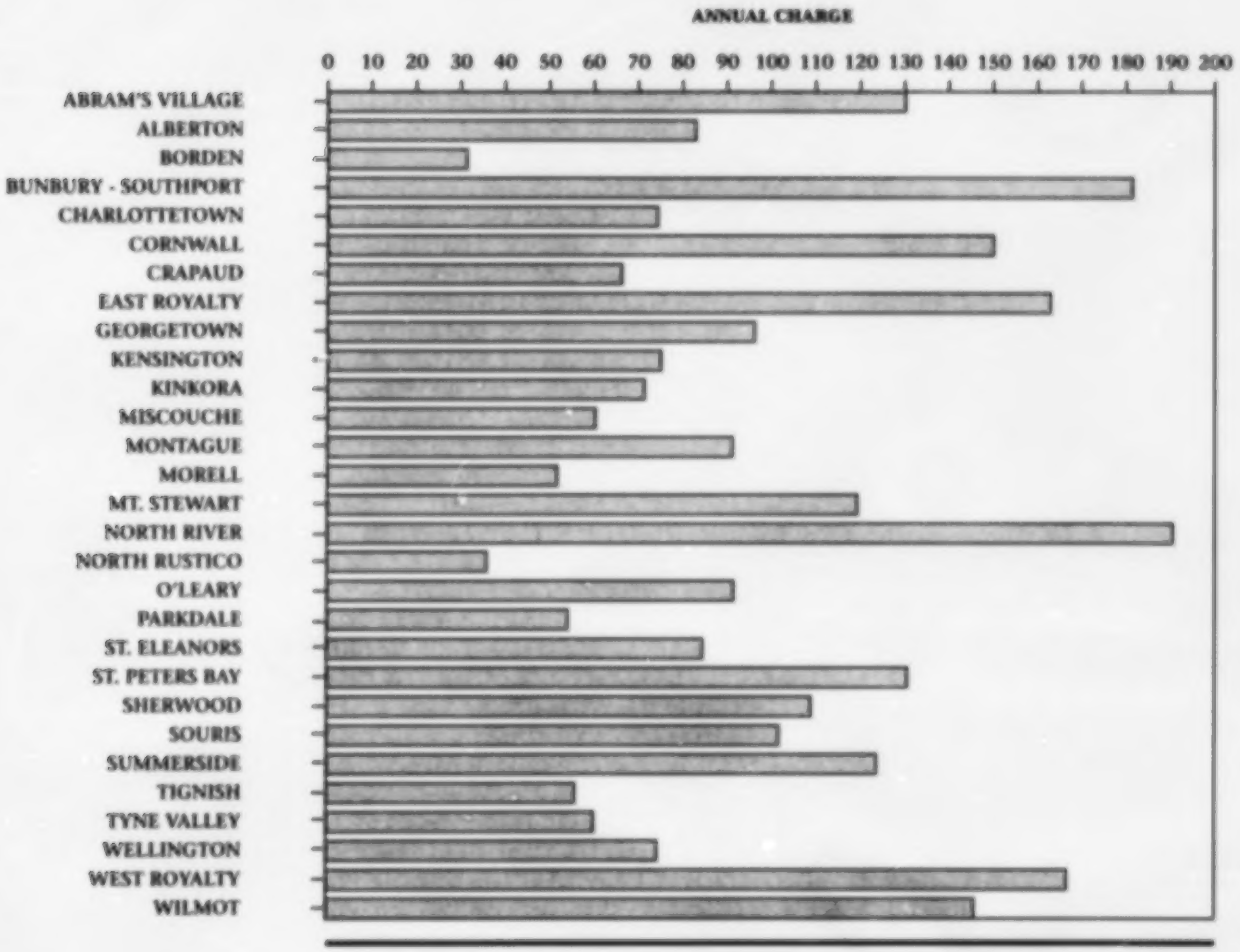
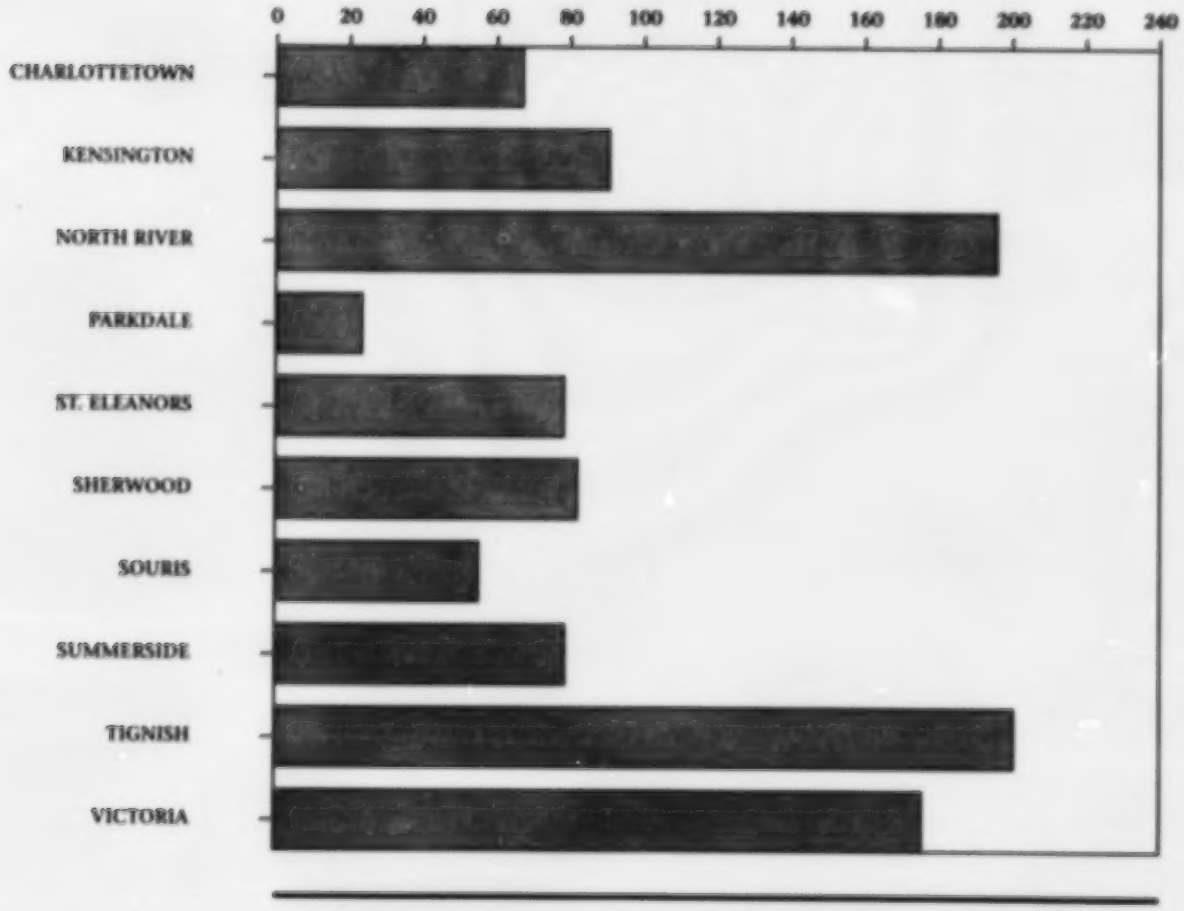


FIGURE 2

Current Single-Family Dwelling Charge

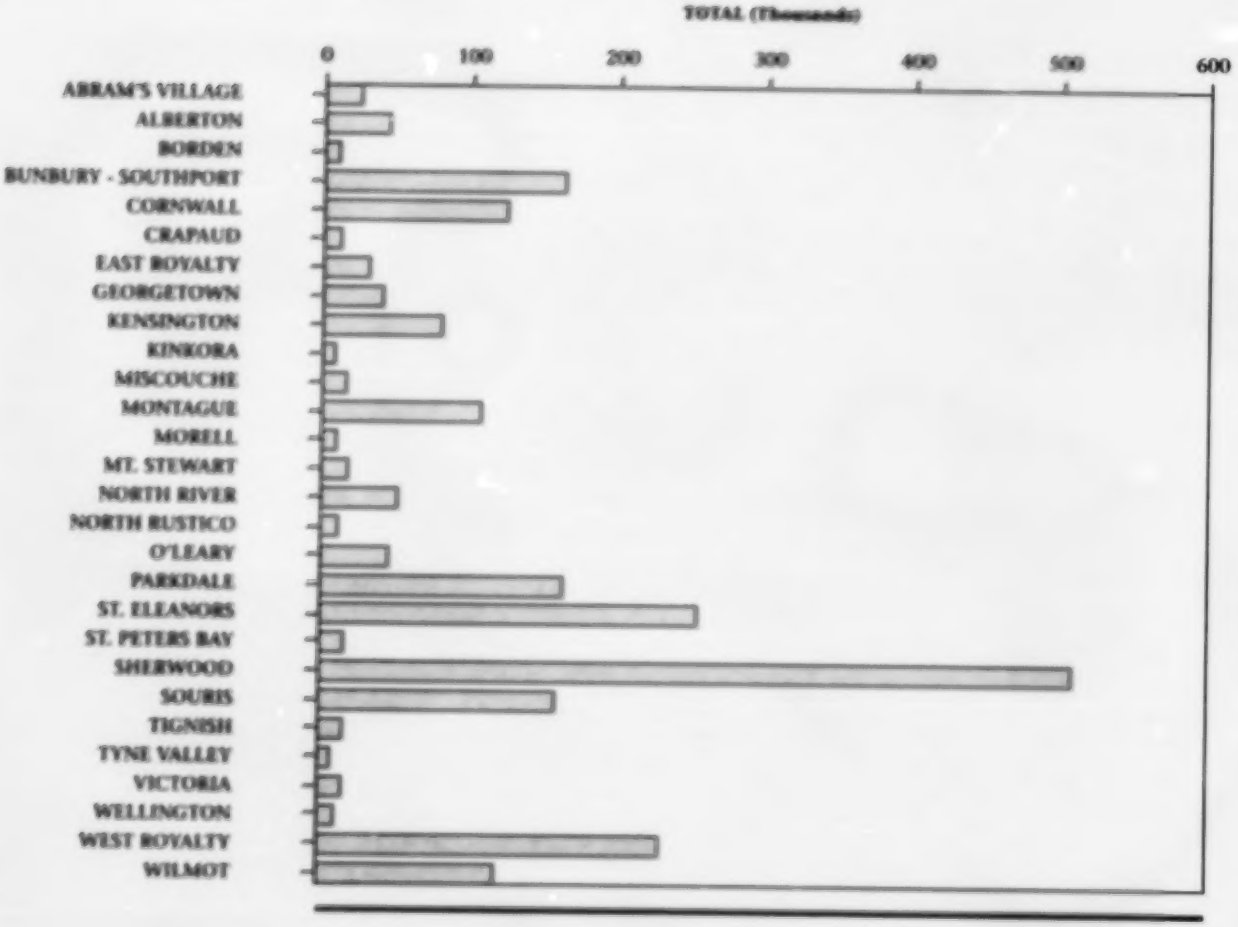


MUNICIPAL WATER & SEWERAGE UTILITIES

FIGURE 3

1989 Total Revenues

(Population Under 7,000)



Building Moving Permits

Moving Permits

During the fiscal year ending 31 March 1990, the following persons applied for and received permission to move buildings which involved the raising or cutting of overhead wires or cables:

Permit #	Name	Address
1135	George Whiteway Re: Mrs. Howard MacKay	Murray River
1136	Sally MacDonald Re: Mrs. Reginald MacDonald	Souris
1137	Catherine Currie	Murray Harbour
1138	Donald Brown	Kensington R.R.#4
1139	Gus Campbell	Charlottetown R.R.#3
1140	P.D. Construction Re: John MacLeod	Winsloe
1141	Dr. Alfy Tadros Re: Stanhope By The Sea	Covehead Bay
1142	Kevin MacLean	Charlottetown
1143	Patricia Bain Re: Edward & Christine Vaslet	Mount Stewart
1144	J. Earle Arsenault Re: Oakland Ventures Inc.	Charlottetown
1145	Nelson P. Jabbaz	Montague
1146	Roderick & Elizabeth MacNeill	Tyne Valley
1147	Harold MacLeod	North Wiltshire
1148	Mildred Praught	Mount Stewart
1149	Robert MacLellan Re: John A. MacLellan	Sherwood
1150	Lewis & Sandra Ogle	Springbrook
1151	John MacPhee Re: Gavin Quinn	Cardigan

Moving Permits

Permit #	Name	Address
1152	Wendy Adams	Bonshaw R.R.#3
1153	Karl Cole	Kensington
1154	George Whiteway Re: Jerry McCarron	Murray River
1155(A)	Allister Mabey	Tryon
1156	Thomas Pettee	Central Bedeque
1157	Margaret & Orville MacDonald	Montague
1158	Eloi & Donna Leger	Georgetown
1160	Alice Ramsay Steeves	Hunter River

An application made by Ralph Essery, Ellerslie, to move a building from Inverness to Port Hill under Account No. 1159 was approved but was later withdrawn by the Applicant.

An application by P & T Holdings (Preston Walker) of Charlottetown relative to a proposed move to be carried out in the Town of Montague was declined due to the serious complications involved.